

BUSINESS COMBINATION APPLICATION—STREAMLINED

Background

The OCC has an expedited review process available to national banks that meet the definition of an "eligible bank" under 12 CFR 5.3(g). For this purpose, an "eligible bank" is a national bank that meets the following criteria: (1) it is "well capitalized" as defined in 12 CFR 6.4(b)(1); (2) it has a composite rating of 1 or 2 under the Uniform Financial Institutions Rating System (CAMELS); (3) it has a CRA rating of "Outstanding" or "Satisfactory;" and, (4) it is not subject to a cease and desist order, consent order, formal written agreement, or prompt corrective action directive. An "eligible depository institution" is a state bank or federal or state thrift that meets the same criteria. Applications that meet the expedited review criteria can qualify for a streamlined submission, instead of the Interagency submission.

Each applicant will file the Interagency Bank Merger Act Application unless it qualifies for a streamlined submission. An applicant may qualify to submit a streamlined business combination application, if the transaction is a "business reorganization" or a "qualifying business combination."

A "business reorganization" means either:

- (i) a business combination between eligible banks, or between an eligible bank and an eligible depository institution, that are controlled by the same holding company, or that will be controlled by the same holding company prior to the date of the combination; or
- (ii) a business combination between an eligible bank and an interim bank chartered in a transaction in which a person or group of persons exchanges its shares of the eligible bank for those of a newly formed holding company and receives after the transaction substantially the same proportional share interest in the holding company as it held in the eligible bank (except for changes in interests resulting from the exercise of dissenters' rights), and the reorganization involves no other transactions involving the bank.

A "qualifying business combination" is a transaction in which:

- (i) At least one party to the transaction is an eligible bank, and all other parties to the transaction are eligible banks or eligible depository institutions, the resulting national bank will be well capitalized immediately following consummation of the transaction, and the combined total assets of the target institution are no more than 50 percent of the total assets of the acquiring bank, as reported in each institution's Consolidated Report of Condition and Income filed for the quarter immediately preceding the filing of the application;
- (ii) The acquiring bank is an eligible bank, the target bank is not an eligible bank or an eligible depository institution, the resulting national bank will be well capitalized immediately following consummation of the transaction, and the applicants in a prefiling communication request and obtain approval from the appropriate district office to use the streamlined application;¹ or
- (iii) The acquiring bank is an eligible bank, the target bank is not an eligible bank or an eligible depository institution, the resulting bank will be well capitalized immediately following consummation of the transaction, and the total assets acquired do not exceed 10 percent of the total assets of the acquiring national bank, as reported in each institution's Consolidated Report of Condition and Income filed for the quarter immediately preceding the filing of the application.

Authority for Filing Streamlined Submission

Check the following boxes to certify the appropriateness of a streamlined submission. **[NOTE: One or more boxes must be checked to qualify for a streamlined submission. Otherwise, a complete "Interagency Bank Merger Act Application" is required.]**

- G** 1. The transaction is a business combination between eligible banks, or between an eligible bank and an eligible depository institution, that are controlled by the same holding company, or that will be controlled by the same holding company prior to the date of the combination.
- G** 2. The transaction is a business combination between an eligible bank and an interim bank chartered in a transaction in which a person or group of persons exchanges its shares of the eligible bank for shares of

¹Use of a streamlined application under this standard (ii) is not available for a transaction that exceeds the size test in the immediately preceding standard (i).

a newly formed holding company and receives after the transaction substantially the same proportional share interest in the holding company as it held in the eligible bank (except for changes in interests resulting from the exercise of dissenters' rights), and the reorganization involves no other transactions involving the bank.

- G** 3. At least one party to the transaction is an eligible bank, and all other parties to the transaction are eligible banks or eligible depository institutions, the resulting national bank will be well capitalized immediately following consummation of the transaction, and the total assets of the target institutions combined are no more than 50 percent of the total assets of the acquiring bank, as reported in each institution's Consolidated Report of Condition and Income filed for the quarter immediately preceding the filing of the application.
- G** 4. The acquiring bank is an eligible bank, the target bank is not an eligible bank or an eligible depository institution, the resulting national bank will be well capitalized immediately following consummation of the transaction, and the applicants in a prefilling communication request and obtain approval from the appropriate district office to use the streamlined application.²
- G** 5. The acquiring bank is an eligible bank, the target bank is not an eligible bank or an eligible depository institution, the resulting bank will be well capitalized immediately following consummation of the transaction, and the total assets acquired do not exceed 10 percent of the total assets of the acquiring national bank, as reported in each institution's Consolidated Report of Condition and Income filed for the quarter immediately preceding the filing of the application.

If one or more boxes were checked, the applicant should proceed to complete this application. Otherwise, the applicant must complete the Interagency Bank Merger Application.

General Information and Instructions

Preparation and Use

This application is used for a merger, consolidation, or other combining transaction between nonaffiliated parties and to effect a corporate reorganization between affiliated parties (affiliate transactions).

An affiliate transaction refers to a merger, consolidation, other combination, or transfer of any deposit liabilities between depository institutions that are controlled or that will be controlled by the same holding company. It includes a business combination between a depository institution and an affiliated interim institution. Applicants proposing affiliate transactions are not required to complete questions 9 through 11 of this form.

All questions must be answered with complete and accurate information that is subject to verification. If the answer is "none," "not applicable," or "unknown," so state. Answers of "unknown" should be explained. The questions in the application are not intended to limit the applicant's presentation nor to duplicate information supplied on another form or in an exhibit. For such information, a cross reference to the information is acceptable. Supporting information for all relevant factors, setting forth the basis for applicant's conclusions, should accompany the application. The OCC may request additional information. Provide the approximate approval date needed to consummate the transaction.

For additional information on the processing procedures and guidelines and any supplemental information that may be required, please refer to the appropriate regulatory agency's procedural guidelines (i.e., *Comptroller's Corporate Manual*, the FDIC's Rules and Regulations [12 CFR 303] and Statement of Policy on Bank Merger Transactions, or the OTS' *Application Processing Handbook*) or contact the agency directly for specific instruction.

Insurance Fund Conversions and Oakar Transactions

With the prior approval of the FDIC, Section 5(d)(2) of the FDIA (12 USC 1815(d)(2)) allows an insured depository institution to convert from a Bank Insurance Fund (BIF) or Savings Association Insurance Fund (SAIF) member or from a SAIF to a BIF member. Insurance fund exit and entry fees apply.

Section 5(d)(3) of the FDIA (12 USC 1815(d)(3)), pertaining to Oakar transactions, permits a direct merger or a purchase and assumption transaction by which a member of BIF or SAIF assumes deposits insured by the other insurance fund subject to the satisfaction of certain conditions. If applying for approval of a transaction covered by either section 5(d)(2) or 5(d)(3), check the appropriate box on page 1 of this form.

Interim Charters and Federal Deposit Insurance

An interim state or federal depository institution charter may be used to facilitate a merger or consolidation. An

²Approval of the use of the streamlined process by the district office under standard 4 may not be used for a transaction that exceeds the size test in standard 3.

interim institution is one that does not operate independently, but exists, usually for a short period of time, solely as a vehicle to accomplish a combination (for example, to facilitate the acquisition of 100 percent of the voting shares of an existing depository institution). The processing procedures and guidelines for chartering an interim institution may be found in the guidelines of the appropriate regulatory agency.

Applicants should contact the FDIC to discuss relevant deposit insurance requirements. An application for deposit insurance is not required for a merger between a federally chartered interim institution and an existing FDIC-insured depository institution, including those instances in which the resulting institution will operate under the charter of the federal interim. However, an application for deposit insurance is required if state-chartered interim bank or savings association will be insured. Mergers between an FDIC-insured institution and a noninsured institution are subject to FDIC approval under section 18(c)(1) of the FDIA (12 USC 1828(c)(1)).

In making its determination to grant deposit insurance under section 5(a) of the FDIA (12 USC 1815(a)), the FDIC will consider the factors enumerated in section 6 of the FDIA (12 USC 1816). If applying for deposit insurance under section 5(a), check the appropriate boxes on the top of page 1 of this form and include with this application any additional relevant information.

Establishment of Branches and Branch Closings

This business combination application will be deemed to constitute an application pursuant to 12 CFR 5.30 and 12 USC 36 to establish and maintain the branches listed in the application. If a branch is closed as a result of a merger, consolidation, or other combination, refer to the Interagency Policy Statement on Branch Closings dated and applicable law for branch closure notice requirements (12 USC 1831r-1). The Joint Agency Policy Statement on Branch Closings can be found in the Appendix of the Branch Closings booklet.

Notice of Publication

An applicant must publish notice of the proposed acquisition in a newspaper of general circulation in the community or communities in which the main office of each of the parties to the transaction is located (see, as appropriate, 12 USC 1828(c)(3), 12 USC 215 or 215a, 12 CFR 5.33(f) or 5.8).

Confidentiality

In general, requests for confidential treatment of specific portions of the application must be submitted in writing concurrently with the application and must discuss the justification for the requested treatment. Applicant's reasons for requesting confidentiality should specifically demonstrate the harm (e.g., to its competitive position, invasion of privacy) that would result from the public release of information (5 USC 552). Information for which confidential treatment is requested should be: (1) specifically identified in the public portion of the application (by reference to the confidential section); (2) separately bound; and (3) labeled "Confidential." Applicant should follow the same procedure for a request for confidential treatment in the subsequent filing of supplemental information to the application.

An applicant should contact the OCC for specific instructions on requests for confidential treatment. The appropriate regulatory agency will determine whether the information submitted as confidential will be so regarded and will advise the applicant of any decision to make available to the public information labeled as "Confidential."

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Check all that apply:

Type of Filing	Form of Transaction	Filed Pursuant To
<input type="checkbox"/> Affiliate/Business Reorganization	<input type="checkbox"/> Merger	<input type="checkbox"/> Section 18(c), FDIA
<input type="checkbox"/> Combination with Interim Depository Institution	<input type="checkbox"/> Consolidation	<input type="checkbox"/> Section 5(d)(2), FDIA
<input type="checkbox"/> Nonaffiliate Combination	<input type="checkbox"/> Purchase and Assumption	<input type="checkbox"/> Section 5(d)(3), FDIA
<input type="checkbox"/> Other _____	<input type="checkbox"/> Purchase of Assets Only	<input type="checkbox"/> 12 USC 215, 215a
	<input type="checkbox"/> Other _____	<input type="checkbox"/> 12 CFR 5.33

Applicant Depository Institution

Name Charter/Docket Number

Street

City State ZIP Code

Target Institution

Name Charter/Docket Number

Street

City State ZIP Code

Resultant Institution (if different than Applicant)

Name Charter/Docket Number

Street

City State ZIP Code

Contact Person

Name Title/Employer

Street

City State ZIP Code

Telephone Number Fax Number

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1. Are there any material aspects of the transaction (e.g., financing arrangements) that are not reflected in the agreement, or are there any features (e.g., structure and significant terms and conditions) that are not customary or usual in the agreement?

Yes **9** No **9**

If the answer is yes, explain.

2. Are there any issues regarding the permissibility under applicable state or federal laws or regulations of the proposed transaction (e.g., nonbank activities, branching, qualified thrift lender's test)?

Yes **9** No **9**

If the answer is yes, describe the issues.

3. Will the applicant or resultant institution retain any nonconforming or impermissible assets or activities?

Yes **9** No **9**

If the answer is yes, describe them, including the method of and anticipated time period for divestiture or disposal (do not discuss those that will be disposed of prior to consummation.)

4. Will there be any anticipated and significant changes in products or services, including fees associated with them that would result from the consummation of the proposed transaction?

Yes **9** No **9**

If the answer is yes, list those changes. If any services or products will be discontinued or fees increased, describe and explain reasons.

- 5a. Will the proposed transaction affect the Community Reinvestment Act (CRA) statement or assessment area, as applicable, served by the applicant or resulting institution?

Yes **9** No **9**

If the answer is yes, discuss the effect.

- 5b. At its most recent federal regulatory examination, did any of the combining institutions receive a CRA rating of "needs to improve" or "substantial noncompliance" institution-wide, or where applicable in a state or a multi-state MSA, or receive an evaluation of less than satisfactory performance in an MSA or in the non-MSA portion of a state in which the acquiring bank is expanding as a result of the consolidation?

Yes **9** No **9**

If the answer is yes, describe what actions, if any, have been taken to redress deficiencies in the institution's CRA record of performance since the examination.

6. Is the transaction subject to the Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994?

Yes **9** No **9**

If the answer is yes, discuss authority; compliance with state age limits and host state(s) filing requirements; and applicability of nationwide and statewide concentration limits. In addition, discuss any other restrictions that the states seek to apply (including state antitrust restrictions).

7. Will any banking offices: (a) be established or retained as branches, including the main office, and branches of the target institution; (b) be approved, but unopened branch(es) of the target institution, including the date the current federal and state agencies granted approval(s); (c) be existing branches that will be closed as a result of the proposal and indicate the effect on the branch customers served; and, (d) be retained as branches in the applicant's original home state in the event the applicant is relocating its main office to another state.

Yes **9** No **9**

If the answer is yes, provide the popular name, street address, city, county, state, and ZIP Code for each location.

A nonaffiliate transaction also must complete items 8 through 10.

8. Will the proposed transaction have an adverse effect on existing competition in the relevant geographic market(s) where applicant and target institution operate? Applicant should contact the appropriate regulatory agency for specific instructions to complete the competitive analysis.

Yes **9** No **9**

If the answer is yes, discuss the effect.

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9. Will the proposed transaction involve a branch sale or any other divestiture of all or any portion of the bank, savings association, or nonbank company, or any other action to mitigate competitive effects? Yes **9** No **9**

If the answer is yes, discuss the timing of the branch sale or divestiture, purchaser, and other specific information.

10. Will any management interlocking relationships (12 USC 3201-3208) exist following consummation? Yes **9** No **9**

If the answer is yes, describe the management interlocking relationship, including a discussion of the permissibility of the interlock with regard to relevant laws and regulations.

CERTIFICATION

We hereby certify that our board of directors, by resolution, has authorized the filing of this application, and that to the best of our knowledge, it contains no misrepresentations or omissions of material facts. In addition, we agree to notify the agency if the facts described in the filing materially change prior to receiving a decision or prior to consummation. Any misrepresentation or omission of a material fact constitutes fraud in the inducement and may subject us to legal sanctions provided by 18 USC 1001 and 1007.

Signed this _____ day of _____, _____.

_____ by
(Applicant)

(Signature of Authorized Officer)¹

(Typed Name)

(Title)

_____ by
(Target)

(Signature of Authorized Officer)¹

(Typed Name)

(Title)

¹In multiple-step combinations, applicants should ensure that authorized officers of the combining institutions sign.